

# Livingston Parish Sheriff

## Annual Financial Statements

As of and for the Year Then Ended June 30, 2012  
With Supplemental Information Schedules

**Livingston Parish Sheriff  
Livingston, Louisiana**

**Annual Financial Statements  
As of and for the Year Ended June 30, 2012  
With Supplemental Information Schedules**

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**Livingston Parish Sheriff  
Livingston, Louisiana**

**Annual Financial Statements  
As of and for the Year Ended June 30, 2012  
With Supplemental Information Schedules**

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### Independent Auditor's Report

To the Honorable Jason Ard  
Livingston Parish Sheriff  
Ex-Officio Parish Tax Collector  
Livingston Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Livingston Parish Sheriff (hereinafter referred to as the "Sheriff") as of and for the year ended June 30, 2012, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards, generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information for the Sheriff, as of June 30, 2012 and the respective changes in financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, We have issued our report dated December 27, 2012 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

December 27, 2012

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# Required Supplemental Information (Part I)

## Management's Discussion and Analysis



**Livingston Parish Sheriff**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2012**

**Introduction**

As management of the Livingston Parish Sheriff, Livingston, Louisiana, we offer readers of the Sheriff's financial statements this narrative overview and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2012. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the Livingston Parish Sheriff's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Sheriff's finances. It is also intended to provide readers with an analysis of the Sheriff's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Sheriff. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Livingston Parish Sheriff's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

**Financial Highlights**

- The Sheriff's government wide assets exceeded its liabilities by \$9,590,429 (net assets). Of this amount, \$6,209,499 (unrestricted net assets) may be used to meet the Sheriff's ongoing obligations to the Parish. An amount of \$3,380,930 is invested in capital assets, net of related debt.
- For the year ended June 30, 2012, the Sheriff's total government wide net assets decreased by \$(423,227).
- At June 30, 2012, the Sheriff's governmental fund reported an ending fund balance of \$5,633,128, an increase of \$856,057 for the year. Of this amount a total of \$5,538,137 is available for spending at the Sheriff's discretion (unreserved fund balance). The remainder of \$94,991 is committed for self insurance.

**Overview of the Annual Financial Report**

This discussion and analysis is intended to serve as an introduction to the Livingston Parish Sheriff's financial statements. The Livingston Parish Sheriff's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

## Livingston Parish Sheriff

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2012

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Livingston Parish Sheriff's finances in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Livingston Parish Sheriff's assets and liabilities using the accrual basis of accounting. The difference between the assets and the liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Livingston Parish Sheriff is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Livingston Parish Sheriff that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Livingston Parish Sheriff's only governmental activity is public safety. The Livingston Parish Sheriff does not at this time have any business-type activities.

The government-wide financial statements can be found on pages 18 - 19 of this report.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Livingston Parish Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Sheriff can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term effects of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Livingston Parish Sheriff maintains one individual governmental fund. Information is presented separately in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

## Livingston Parish Sheriff

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2012

The Livingston Parish Sheriff adopts an annual appropriated budget for its general fund. A budgetary comparison statement for the major fund has been provided herein to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 21 - 24 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Livingston Parish Sheriff's own programs. The Sheriff reports its Post Retirement Benefits Trust Fund as a fiduciary fund, and has three agency funds, including the Sheriff's Fund, Tax Collector Fund, and Inmate Deposit Fund.

The basic fiduciary fund financial statements can be found on pages 26 - 28 of this report.

#### Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 52 of this report.

#### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This can be found on page 54 and 55 of this report.

#### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Sheriff's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Assets on page 18 of this report.

#### Net Assets 2012 and 2011

	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
		<b>(Restated)</b>
Assets:		
Current and Other Assets	\$ 8,062,306	\$ 7,807,009
Capital Assets	3,380,930	3,770,590
Total Assets	<u>11,443,236</u>	<u>11,577,599</u>
Liabilities:		
Long-Term Debt Outstanding	346,770	173,385
Other Liabilities	1,506,037	1,390,558
Total Liabilities	<u>1,852,807</u>	<u>1,563,943</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	3,380,930	3,770,590
Unrestricted	6,209,499	6,243,066
Total Net Assets	<u>\$ 9,590,429</u>	<u>\$ 10,013,656</u>

## **Livingston Parish Sheriff**

### **Management's Discussion and Analysis As of and for the Year Ended June 30, 2012**

One of the largest portions of the Livingston Parish Sheriff's net assets (35 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Livingston Parish Sheriff uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Livingston Parish Sheriff's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the Livingston Parish Sheriff is able to report positive balances in both categories of net assets, government as a whole and separate governmental activities. The same situation held true for the prior fiscal year. The remaining balance of *unrestricted net assets* (65 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

The Sheriff's activities decreased its total net assets by \$(423,227) during the current fiscal year.

In order to further understand what makes up the changes in net assets, the table on the following page provides a summary of the results of the Sheriff's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 19 of this report.

# Livingston Parish Sheriff

## Management's Discussion and Analysis As of and for the Year Ended June 30, 2012

### Changes in Net Assets

For the years ended June 30, 2012 and 2011

	Governmental Activities		Variance	
	2012	2011 (Restated)	Amount	Percentage
Revenues:				
Program Revenues:				
Charges for Services	\$ 2,952,004	\$ 3,283,695	\$ (331,691)	-10%
Operating Grants and Contributions	210,633	191,603	19,030	10%
Capital Grants and Contributions	79,564	154,300	(74,736)	-48%
General Revenues:				
Property Taxes	9,083,057	8,584,245	498,812	6%
Sales Taxes	6,632,029	6,097,507	534,522	9%
Intergovernmental	3,313,476	3,154,656	158,820	5%
Interest Income	33,441	35,778	(2,337)	-7%
Miscellaneous	737,245	632,255	104,990	17%
Gain (Loss) on Sale of Assets	(49,005)	3,686	(52,691)	-1429%
Total Revenues	<u>22,992,444</u>	<u>22,137,725</u>	<u>854,719</u>	4%
Expenses:				
Public Safety	<u>23,415,671</u>	<u>22,675,553</u>	<u>740,118</u>	3%
Total Expenses	<u>23,415,671</u>	<u>22,675,553</u>	<u>740,118</u>	3%
Increase (Decrease) in Net Assets	<u>(423,227)</u>	<u>(537,828)</u>	<u>114,601</u>	21%
Net Assets - Beginning	9,953,656	10,551,484	(597,828)	-6%
Prior Period Adjustments (Note 19)	60,000	-	60,000	100%
Net Assets - Beginning (Restated)	<u>10,013,656</u>	<u>10,551,484</u>	<u>(537,828)</u>	-5%
Net Assets, Ending	<u>\$ 9,590,429</u>	<u>\$ 10,013,656</u>	<u>\$ (423,227)</u>	-4%

**Livingston Parish Sheriff**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2012**

**Governmental Activities**

Governmental activities decreased the Livingston Parish Sheriff's net assets by \$423,227. Key elements of this change in net assets as shown on the previous page are as follows:

- Property taxes increased by \$498,812 or 6 percent in 2012.
- Sales taxes increased \$534,522 or 9 percent in 2012.
- A component of intergovernmental revenue increased \$158,820 or 5% percent in 2012.
- Total public safety expenses increased in total by \$740,118 or 3% in 2012.

**Fund Financial Analysis**

As noted earlier, the Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the Sheriff's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Sheriff's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Sheriff's net resources available for spending at the end of the year.

The general fund is the chief operating fund of the Livingston Parish Sheriff. At the end of the current fiscal year, total fund balance of the general fund was \$5,633,128, an increase of \$856,057. Approximately 98 percent of this total amount, \$5,538,137, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance of \$94,991 is reserved to indicate that it is not available for new spending because it has already been committed to pay for self-insurance.

As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund operating expenditures plus other financing uses totaling \$22,196,794.

**Major Fund Budgetary Highlights**

Differences between the original and final amended budgets of the major funds budgeted for expenditures resulted in an increase of \$102,000 in budgeted revenues, with increases and decreases in numerous categories.

The actual revenues and other sources for the general fund were more than the final budget by \$655,851 and actual expenditures and other uses were less than the final budget by \$200,206.

## Livingston Parish Sheriff

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2012

#### Capital Assets and Debt Administration

##### Capital Assets

The Livingston Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2012, amounted to \$3,380,930 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure.

The following table provides a summary of the Sheriff's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 5 to the financial statements on page 39 of this report.

#### Capital Assets (Net of Depreciation) 2012 and 2011

Capital Assets	Governmental Activities		Increase (Decrease)	Percentage Increase (Decrease)
	2012	2011		
Land	\$ 269,556	\$ 269,556	\$ -	0%
Buildings and Tower	300,711	300,711	-	0%
Equipment and Furniture	5,292,894	4,993,998	298,896	6%
Vehicles	4,369,216	4,180,104	189,112	5%
Subtotal Capital Assets	10,232,377	9,744,369	488,008	5%
Less: Accumulated Depreciation	(6,851,447)	(5,973,779)	877,668	15%
<b>Capital Assets, Net</b>	<b>\$ 3,380,930</b>	<b>\$ 3,770,590</b>	<b>\$ (389,660)</b>	<b>-10%</b>

##### Other Post Employment Benefits

Effective with the year ending June 30, 2009, the Livingston Parish Sheriff implemented Government Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employees for Post-employment Benefits Other Than Pensions (GASB 45). The statement was implemented prospectively. Using this method, the beginning other post-employment benefits (OPEB) liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to July 1, 2008) will be amortized and recognized as an expense over thirty years.

The Livingston Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The total ARC for the Fiscal year ending June 30, 2012 is \$1,086,338 for medical and life combined.

## **Livingston Parish Sheriff**

### **Management's Discussion and Analysis As of and for the Year Ended June 30, 2012**

#### **Economic Factors and Next Year's Budgets and Rates**

The following factors were considered in preparing the Livingston Parish Sheriff's budget for the 2012 fiscal year:

- The two major revenue sources for the general fund are ad valorem taxes and sales and use taxes. Ad valorem tax increased by \$498,812 between 2011 and 2012.
- Sales tax revenues increased by approximately \$534,522 between 2011 and 2012.

#### **Request for Information**

This financial report is designed to provide a general overview of the Livingston Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report for June 30, 2012, or requests for additional financial information should be addressed to Ronnie Morse, Chief Civil Deputy of the Livingston Parish Sheriff, at (225) 686-2241.



# Basic Financial Statements

## Government-Wide Financial Statements

**Livingston Parish Sheriff**  
**Statement of Net Assets**  
**As of June 30, 2012**

**Statement A**

**Primary  
Government  
Governmental  
Activities**

**Assets**

Current Assets:

Cash and Cash Equivalents	\$ 5,722,197
Receivables, Net:	1,655,022
Total Current Assets	<u>7,377,219</u>

Restricted Assets:

Noncurrent	
Net Other Post Employment Benefit Asset	685,087
Total Restricted Assets	<u>685,087</u>

Capital Assets:

Land	269,556
Capital Assets, Net	3,111,374
Total Capital Assets	<u>3,380,930</u>

**Total Assets**

11,443,236

**Liabilities**

Current Liabilities:

Accounts Payable	342,683
Other Accrued Payables	1,163,354
Total Current Liabilities	<u>1,506,037</u>

Long Term Liabilities:

Compensated Absences Payable	346,770
Total Long Term Liabilities	<u>346,770</u>

**Total Liabilities**

1,852,807

**Net Assets**

Invested in Capital Assets, Net of Related Debt	3,380,930
Unrestricted	6,209,499

**Total Net Assets**

\$ 9,590,429

The accompanying notes are an integral part of this statement.

## Statement B

Livingston Parish Sheriff  
Statement of Activities  
For the year ended June 30, 2012

					Net (Expenses) Revenues and Changes in Net Assets
Program Revenues					Primary Government Governmental Activities
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
<b>Governmental Activities</b>					
Public Safety	(23,415,671)	2,952,004	210,633	79,564	(20,173,470)
<b>Total Governmental Activities</b>	<u>(23,415,671)</u>	<u>2,952,004</u>	<u>210,633</u>	<u>79,564</u>	<u>(20,173,470)</u>
<b>General Revenues:</b>					
Taxes:					
Property Taxes					9,083,057
Sales Taxes					6,632,029
Intergovernmental					
For Support of Prisoners					2,362,631
Reimbursements					294,793
State Revenue Sharing					656,052
Investment Earnings					33,441
On Behalf Payments - State Supplemental Pay					454,605
Miscellaneous					282,640
Loss on Sale of Assets					(49,005)
<b>Total General Revenues and Transfers</b>					<u>19,750,243</u>
<b>Change in Net Assets</b>					<u>(423,227)</u>
<b>Net Assets - Beginning</b>					9,953,656
Prior Period Adjustments (Note 19)					60,000
<b>Net Assets - Beginning (Restated)</b>					<u>10,013,656</u>
<b>Net Assets - Ending</b>					<u>\$ 9,590,429</u>

The accompanying notes are an integral part of this statement.

# Basic Financial Statements

## Fund Financial Statements

**Livingston Parish Sheriff**  
**Balance Sheet, Governmental Funds**  
**As of June 30, 2012**

**Statement C**

	<u>General Fund</u>
<b>Assets</b>	
Cash and Equivalents	\$ 5,722,197
Receivables, Net:	
Due from Other Governments	1,174,398
Other	44,796
Due From Other Funds	197,774
<b>Total Assets</b>	<u>\$ 7,139,165</u>
<b>Liabilities and Fund Balances</b>	
Liabilities:	
Accounts Payable	\$ 342,683
Accrued Wages and Employee Benefits	365,176
Due to Other Governments	798,178
Total Liabilities	<u>1,506,037</u>
Fund Balances:	
Committed for Self Insurance	94,991
Unassigned	5,538,137
Total Fund Balances	<u>5,633,128</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,139,165</u>

The accompanying notes are an integral part of this statement.

**Livingston Parish Sheriff**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Financial Statement of Net Assets**  
**As of June 30, 2012**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

<b>Fund Balances, Total Governmental Funds (Statement C)</b>	\$	5,633,128
--	----	-----------

Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.

Governmental capital assets net of depreciation		3,380,930
---	--	-----------

Certain revenues are deferred in the fund financial statements until they are considered available to finance current expenditures, but these revenues are recognized when they are assessed in the government wide financial statements.

238,054

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental fund.

Compensated Absences Payable		(346,770)
------------------------------	--	-----------

The liability associated with the net unfunded long-term Other Post Employment Benefit Obligation Asset is also not payable in the current period. Therefore, the amount is not reported in the Governmental fund.

685,087

<b>Net Assets of Governmental Activities (Statement A)</b>	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">9,590,429</div>
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The accompanying notes are an integral part of this statement.

**Livingston Parish Sheriff**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the year ended June 30, 2012**

**Statement E**

	<u>General Fund</u>
<b>Revenues</b>	
Taxes	
Ad valorem	\$ 9,061,983
Sales and Use	6,632,029
Intergovernmental	
Grants	281,574
Support of Prisoners	2,535,137
State Revenue Sharing	656,052
Fines, Forfeitures and Other Fees	2,912,110
Use of Money and Property	44,502
Miscellaneous	454,834
On Behalf Payments - State Supplemental Pay	454,605
<b>Total Revenues</b>	<u>23,032,826</u>
<b>Expenditures</b>	
Public Safety	
Personal Services and Related Benefits	
Salaries	10,046,223
Employee Benefits	5,682,580
Operating Services	1,377,707
Professional Services	1,288,339
Materials and Supplies	
General	896,350
Prisoners	1,375,451
Vehicles	770,346
Total Public Safety	<u>21,436,996</u>
Capital Outlays	759,798
<b>Total Expenditures</b>	<u>22,196,794</u>
<b>Excess (Deficiency) of Revenues Over (Under) (Expenditures)</b>	<u>836,032</u>
<b>Other Financing Sources (Uses)</b>	
Proceeds from Sale of Capital Assets	20,025
<b>Total Other Financing Sources (Uses)</b>	<u>20,025</u>
<b>Net Change in Fund Balances</b>	<u>856,057</u>
<b>Fund Balances, Beginning Before Adjustments</b>	4,717,071
Prior Period Adjustment (Note 19)	60,000
<b>Fund Balances, Beginning Adjusted</b>	<u>4,777,071</u>
<b>Fund Balances, Ending</b>	<u>\$ 5,633,128</u>

The accompanying notes are an integral part of this statement.

**Livingston Parish Sheriff**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Government-Wide Statement of Activities**  
**For the year ended June 30, 2012**

Amounts reported for governmental activities in the Statement of Activities are different because:

**Net Change in Fund Balances, Total Governmental Funds, Statement E** **\$ 856,057**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period net of the gain on the sale of capital assets, which also is not reflected in the fund basis financial statements.

Expenditures for capital assets	\$ 759,798	
Less:		
Loss on sale of capital assets	(49,005)	
Proceeds from the sale of capital assets	(20,025)	
Current year depreciation	<u>(1,080,428)</u>	
		(389,660)

Certain revenues are deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed in the government wide financial statements.

8,623

In the Statement of Activities, certain operating expenses-compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the governmental funds, (essentially, the amounts actually paid) vacation and sick time earned exceeded the amounts used.

(173,385)

(Increases) or decreases in the unfunded post-employment benefit obligations for medical and life insurance netted against the assets in trust to fund those estimated liabilities in future periods are not recorded for governmental funds on the fund basis.

(724,862)

**Change in Net Assets of Governmental Activities, Statement B** **\$ (423,227)**

The accompanying notes are an integral part of this statement.



# Basic Financial Statements

## Fiduciary Fund Financial Statements

**Livingston Parish Sheriff**  
**Statement of Net Assets - Fiduciary Funds**  
**As of June 30, 2012**

	<u>Trust Fund</u>	<u>Agency Funds</u>		
	<u>Retired Employees Benefit Fund</u>	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Inmate Deposit Fund</u>
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 93,394	\$ 1,075,303	\$ 2,107,301	\$ 64,550
Investments	6,029,141			
<b>Total Assets</b>	<u>6,122,535</u>	<u>1,075,303</u>	<u>2,107,301</u>	<u>64,550</u>
<b>Liabilities</b>				
Held for taxing bodies and others	-	1,075,303	2,107,301	64,550
<b>Total Liabilities</b>	<u>-</u>	<u>1,075,303</u>	<u>2,107,301</u>	<u>64,550</u>
<b>Total Net Assets</b>	<u>\$ 6,122,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**Statement H**

**Livingston Parish Sheriff**  
**Statement of Changes in Net Assets - Fiduciary Trust Fund**  
**For the year ended June 30, 2012**

	<u>Trust Fund</u>
	<u>Retired</u>
	<u>Employees Benefit</u>
	<u>Fund</u>
<b>Additions</b>	
Investment Interest	\$ 167,998
Realized (Loss) on Investments	(120,524)
<b>Total Additions</b>	<u>47,474</u>
<b>Deductions</b>	
Investment Expenses	22,397
<b>Total Deductions</b>	<u>22,397</u>
<b>Change in Net Assets</b>	25,077
<b>Net Assets - Beginning</b>	<u>6,097,458</u>
<b>Net Assets - Ending</b>	<u>\$ 6,122,535</u>

The accompanying notes are an integral part of this statement.

**Livingston Parish Sheriff**  
**Statement of Changes in Net Assets - Fiduciary Agency Funds**  
**For the year ended June 30, 2012**

	Agency Funds		
	Sheriff's Fund	Tax Collector Fund	Inmate Deposit Fund
<b>Additions</b>			
Suits and Sales	\$ 2,869,528	\$ -	\$ -
Fines and Bonds	3,723,724	-	-
Advance Deposits	502,000	-	-
Garnishments	443,580	-	-
Property Taxes	-	47,211,063	-
Parish Occupational Licenses	-	888,363	-
State Revenue Sharing	-	2,570,402	-
Redemptions and Refunds	-	1,154,494	-
Interest on Delinquent Taxes	6,878	113,552	-
Other	59,523	432,598	694,803
<b>Total Additions</b>	<u>7,605,233</u>	<u>52,370,472</u>	<u>694,803</u>
<b>Distributions</b>			
<b>By Funding Source</b>			
Property Taxes	-	45,823,769	-
Parish Occupational Licenses	-	888,363	-
State Revenue Sharing	-	2,570,606	-
Redemptions and Refunds	307,365	1,423,995	-
Earned Interest	-	27,560	-
Pension Funds	1,550,692	1,354,388	-
<b>By Location</b>			
State of Louisiana			
Livingston Parish			
Clerk of Court	837,531	-	-
Parish Council	224,896	-	-
Sheriff	1,768,202	-	-
Twenty-first Judicial District			
District Attorney	1,480,607	-	-
Other Parties			
Appraisers and Helpers	63,225	-	-
Attorneys and Litigants	385,872	-	-
Municipalities	84,100	-	-
Other	706,420	7,154	702,815
State Crime Laboratory	6,266	-	-
<b>Total Distributions</b>	<u>7,415,176</u>	<u>52,095,835</u>	<u>702,815</u>
<b>Change in Net Assets</b>	\$ <u>190,057</u>	\$ <u>274,637</u>	\$ <u>(8,012)</u>

The accompanying notes are an integral part of this statement.

# Basic Financial Statements

## Notes to the Financial Statements

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**Introduction**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Livingston Parish Sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the Parish of Livingston, Louisiana. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of the neighborhood watch programs, and anti-drug abuse programs. Additionally, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sportsman's licenses and fines, costs and bond forfeitures imposed by the district court.

**The Reporting Entity**

For financial reporting purposes, the Sheriff includes all funds, account groups and activities that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of the employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Sheriff is financially independent, other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana Law. Accordingly, the Sheriff is a separate governmental reporting entity.

Certain units of local government which the Sheriff exercises no oversight responsibility such as the parish government, parish school board, other independently elected parish officials and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

**1. Summary of Significant Accounting Policies**

**A. Government-Wide and Fund Financial Statements**

The accompanying basic financial statements of the Livingston Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements (Statement of Net Assets and Statement of Activities) are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual (i.e., when they become measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Intergovernmental revenues and fees, and charges and commissions for services are recorded when the Sheriff is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when the Sheriff is entitled to the funds.

Expenditures, including capital outlays, are recorded when the related fund liability is incurred. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned or unassigned fund balances are available, the Sheriff considers amounts to have been spent out of committed funds, then assigned funds, and finally unassigned funds as needed, unless the Sheriff has provided otherwise in his commitment or assignment actions.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

The Sheriff reports the following major governmental fund:

- The *General Fund* is the Sheriff's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The following fiduciary funds are reported separately:

**Trust Fund**

*Retired Employees Benefit Fund:* This fund accounts for the resources that are held in trust for the members and beneficiaries of the Sheriff's other post-employment benefit plan.

**Agency Funds**

*Sheriff's Fund, Tax Collector Fund, and the Inmate Deposit Fund:* The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, and inmate monies. Disbursements from these funds are made to various parish agencies, litigants in suits, inmates, or deputies as prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

The Sheriff's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government wide statements.

**C. Budget Practices**

The proposed budget for the year ended June 30, 2012, was made available for public inspection and comments from taxpayers at the Sheriff's Office during June 2011. The proposed budget, per the June 9, 2011, public notice was available for public inspection Monday through Friday, 8:00 a.m. to 4:00 p.m. The public notice also noted that all interested parties may be present at 10:00 a.m., at the Sheriff's Office to express their views concerning the Sheriff's Fiscal Budget. The budget is legally adopted and amended, as necessary, by the Sheriff.

All expenditure appropriations lapse at year-end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Encumbrance accounting is not used. However, the budget is integrated into the accounting records, which allows monthly comparison of budget and actual amounts. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**D. Deposits and Investments**

The Sheriff's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Sheriff's investment policy allow the Sheriff to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.



**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

Investments are limited by Louisiana Revised Statutes and the Sheriff's Investment Policy. Investments held by the Sheriff at June 30, 2012, were limited to investments for Other Post-Employee Benefits (OPEB) invested per the requirements of Louisiana Revised Statute 33:5162 and consisted of funds invested in a newly created investment trust account. Investments, when held, are reported at fair market value.

**E. Revenues**

Ad valorem taxes and the related state revenue sharing, which is based on population and homesteads in the parish, are recorded in the year taxes are assessed. Ad valorem taxes are assessed and become due on November fifteenth of each year and become delinquent on December thirty-first. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Federal and state grants are recorded when the law enforcement district is entitled to the funds. Sales and use tax revenues are collected by the Livingston Parish School Board and are recognized by the law enforcement district as revenue in the month the tax is collected. The Sheriff receives a half a cent parish-wide sales tax to help cover the cost of operating expenses, which does not expire. The sales tax revenue is recorded in the month it was collected. Interest on investments and all other revenues are recorded when the income is measurable and available.

**F. Capital Assets**

Capital assets, which include property, plant, equipment, and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

When surplus items are sold for an immaterial amount after being declared un-needed for public purposes, no salvage value is utilized for depreciation purposes. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<b>Description</b>	<b>Estimated Lives</b>
Buildings & Tower	40 Years
Furniture and Fixtures	5 Years
Vehicles	5 Years
Equipment	5 - 20 Years

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**G. Compensated Absences**

The Sheriff has the following policy related to vacation and sick leave:

Each year all permanent full-time employees of the Sheriff's Office earn seven to twenty-one days of vacation depending on the number of years employed, and ten days of sick leave. Prior to the fiscal year beginning July 1, 2010, all unused vacation and sick leave was forfeited. The cost of leave privileges, computed in accordance with GASB Codification C60, was recognized as a current year expenditure in the General Fund when the leave was taken.

For the fiscal year beginning July 1, 2010, the personal leave policy was amended to allow "banking" of unused personal leave. A total of ten days per fiscal year will be carried forward for future use or payment upon termination or retirement. An employee may request payment of any "banked" days within thirty (30) days of the end of the fiscal year.

The Sheriff's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability, which includes both accrued vacation and sick leave, is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For the fiscal year ending June 30, 2012, the compensated absences liability is recorded as a long-term liability on the government-wide financial statements until normative data is available for recording a short-term compensated absences liability.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**H. Fund Equity and Net Assets**

In the government-wide financial statements, net assets are classified in the following categories:

- **Invested in capital assets, net of related debt.** This component of net assets includes capital assets, net of accumulated depreciation, reduced by the outstanding balance of any bonds, or indebtedness attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds.
- **Restricted.** This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted.** This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. The Sheriff adopted GASB 54 for the year ended June 30, 2011. As such, fund balances of governmental funds are classified as follows:

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision making authority for the Sheriff.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes.
- **Unassigned.** These are all other spendable amounts.

**I. Comparative Data/Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**J. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the parish, which are either unusual in nature or infrequent in occurrence.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**K. Deferred Revenues**

The Sheriff reports deferred revenues on its statement of net assets and its fund financial statements balance sheet. Deferred revenues arise when resources are received by the Sheriff before it has a legal claim to them, as when grant money is received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**L. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**M. Reconciliations of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

**2. Deposits and Investments**

At June 30, 2012, the Sheriff has cash and cash equivalents (book balances) totaling, as follows:

	<u><b>2012</b></u>
Governmental Funds	
Cash on Hand	\$ 900
Interest Bearing Demand Deposits	<u>5,721,297</u>
Subtotal Deposits in Governmental Fund	<u>5,722,197</u>
Fiduciary Funds	
Demand Deposits	3,247,154
Louisiana Asset Management Pool	<u>93,394</u>
Subtotal Deposits in Fiduciary Funds	<u>3,340,548</u>
Total Deposits	\$ <u><u>9,062,745</u></u>

Fiduciary funds are not reflected in the Statement of Net Assets.

These demand deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

At June 30, 2012, the Sheriff has \$10,516,940 in deposits (collected bank balances), entirely consisting of demand deposits. The demand deposits are secured from risk by \$250,000 of federal deposit insurance and \$10,266,940 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

*Custodial Credit Risk:* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Sheriff does not have a formal policy for custodial risk. However, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

At June 30, 2012, the cash equivalents considered to be a demand deposit in the Louisiana Asset Management Pool (LAMP) totaling \$93,394 are restricted for Other Post-Employee Benefits (OPEB).

The investment in the Louisiana Asset Management Pool (LAMP), an external investment pool, is stated at the value of the pool shares, which is the same as the fair value and consists of securities of the United States Government or its agencies and as such do not require additional pledged collateral.

In accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2295(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment Grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 228 Saint Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or by calling (504) 525-5267.

### **3. Investments**

In the fiscal year ending June 30, 2012, the Investment Advisory Board, which governs the Livingston Parish Retired Employees Insurance Fund (LREIF), began implementation of a relationship with a professional investment manager. The LREIF is included in the Retired Employees Benefits Trust Fund as an investment asset. The Sheriff reports the Retired Employees Benefits Trust Fund as a fiduciary fund.

The Advisory Board began moving investments from the Louisiana Asset Management Pool (LAMP) in June of 2011 and completed the transfer in July of 2011. The Advisory Board adopted an investment policy which outlines asset allocation strategy, investment structure, monitoring and evaluation criteria, as well as performance measurement milestones. The Investment Advisory Board selected an initial asset allocation of thirty-five percent equities and sixty-five percent fixed income with an expected long-term return of six percent. As of June 30, 2012, assets transferred to the investment manager totaled \$6,029,141, and are supplemented by LAMP funds of \$93,394, for a total of \$6,122,535.

<b>Investments held in (LREIF)</b>	<b><u>Composite Ratings</u></b>	<b><u>Percentage</u></b>
Mutual Funds	Varies	80%
Money Market	Varies	20%

### **4. Receivables**

The Governmental Fund receivables at June 30, 2012 consist of the following:

<b>Government Receivables</b>	<b><u>General Fund</u></b>
Due from Fiduciary Funds	
Due from Tax Collector Fund	\$ 167,352
Due from Other Fund Accounts	30,422
Due from Other Governments	
Due from Livingston Parish Council	66,245
Due from Livingston Parish School Board	610,987
Grants	57,927
Other	439,239
Due from Private Entities for Security Services	44,796
<b>Total Government Receivables</b>	<b>\$ <u>1,416,968</u></b>

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**5. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2012 for governmental activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclass- ifications</u>	<u>Ending Balance</u>
<b>Governmental Activities Capital Assets:</b>					
Capital Assets Not Being Depreciated:					
Land	\$ 269,556	\$ -	\$ -	\$ -	\$ 269,556
Total Capital Assets Not Being Depreciated	<u>269,556</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,556</u>
Capital Assets Being Depreciated:					
Buildings and Tower	300,711	-	-	-	300,711
Equipment and Furniture	4,993,998	602,908	-	(304,012)	5,292,894
Vehicles	<u>4,180,104</u>	<u>156,890</u>	<u>(271,790)</u>	<u>304,012</u>	<u>4,369,216</u>
Total Capital Assets Being Depreciated	<u>9,474,813</u>	<u>759,798</u>	<u>(271,790)</u>	<u>-</u>	<u>9,962,821</u>
Less Accumulated Depreciation for:					
Buildings and Tower	(97,481)	(11,733)	-	-	(109,214)
Equipment and Furniture	(3,331,064)	(467,206)	-	-	(3,798,270)
Vehicles	<u>(2,545,234)</u>	<u>(601,489)</u>	<u>202,760</u>	<u>-</u>	<u>(2,943,963)</u>
Total Accumulated Depreciation	<u>(5,973,779)</u>	<u>(1,080,428)</u>	<u>202,760</u>	<u>-</u>	<u>(6,851,447)</u>
Total Capital Assets Being Depreciated, Net	<u>3,501,034</u>	<u>(320,630)</u>	<u>(69,030)</u>	<u>-</u>	<u>3,111,374</u>
<b>Total Governmental Activities Capital Assets, Net</b>	<b>\$ <u>3,770,590</u></b>	<b>\$ <u>(320,630)</u></b>	<b>\$ <u>(69,030)</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>3,380,930</u></b>
Depreciation was charged to governmental functions as follows:					
Public Safety					\$ <u>1,080,428</u>

**6. Accounts, Salaries, and Other Payables**

	<u>General Fund</u>
<b>Governmental Funds Payable</b>	
Accounts	\$ 342,683
Accrued Wages and Employee Benefits	
Accrued Salaries	72,107
Accrued Health Claims	293,069
Other Accrued Liabilities	
Due to Other Governments	798,178
<b>Total Government Funds Payable</b>	<b>\$ <u>1,506,037</u></b>

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
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**7. State Revenue Sharing**

The revenue sharing funds provided by Act 525 were distributed as follows for the year ended June 30, 2012.

Livingston Parish School Board	\$ 916,620
Livingston Parish Council	360,453
Livingston Parish Library	162,085
Livingston Parish Fire Protection Districts	279,217
Livingston Parish Sheriff	656,052
Livingston Parish Assessor	119,235
Livingston Parish Juvenile Justice Commission	20,497
Livingston Parish Gravity Drainage District	29,660
Pension Funds	26,583

<b>Total Revenue Sharing Funds Distributed</b>	<b>\$ <u>2,570,402</u></b>
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**8. Taxes Paid Under Protest**

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2012 include \$1,951,858 of taxes paid under protest plus interest earned to date on the investment of these funds totaling \$132,177 for a combined total of \$2,084,035. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

**9. Group Health Self Insurance**

Beginning in March of 2005, the Sheriff started self-insuring the group health coverage for employees. Each month the Sheriff funds an account with an amount equal to what would be required for premiums if the previous policy had continued. From this account, the health claims of employees are paid, as well as a premium for stop-loss insurance which caps the claims per employee at \$30,000 per policy year. As of June 30, 2012, the account used to pay claims had a book balance of \$94,991, which represents a commitment of the General Fund. The Sheriff has accrued a liability for claims incurred but not reported as of June 30, 2012 in the amount of \$293,069 based on a search of actual claims subsequent to the balance sheet date.

The officers of the Louisiana Sheriff's Association may adopt a self-insurance plan to provide group coverage for health, medical and surgical expenses of participating sheriffs and deputy sheriffs. Any self-insurance plan adopted by the Louisiana Sheriff's Association shall not be subject to any of the provisions of Subpart P or Part I of Chapter 2 of Title 22 of the Louisiana Revised Statutes of 1950.

**10. Retirement Systems**

Substantially all Sheriff employees are members of the Louisiana Sheriff's Pension and Relief Fund (the System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS) administered by a separate board of trustees. The System is a state-wide public retirement system for the benefit of sheriffs and their staffs. The System was established and provided for within LSA-RS 11:2171 of the Louisiana revised statutes.



**Livingston Parish Sheriff**  
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Contributions of participating sheriffs, together with shared, local and state revenues are pooled within the System to fund accrued benefits. Both employer and employee contribution rates are approved by the Louisiana Legislature. The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries determined by state statute.

The remaining employees are members of the Federal Social Security System.

**A. Federal Social Security System**

All employees who are not eligible to participate in the Louisiana Sheriff's Pension and Relief Fund are members of the Federal Social Security System. The Sheriff contributes 6.2 percent for social security and 1.45% for medicare, and its employees contribute 4.2 percent for social security and 1.45 percent for Medicare of each employee's taxable compensation. The Sheriff's contributions during the year ended June 30, 2012 were \$33,101 for social security and \$134,781 for Medicare.

**B. Louisiana Sheriff's Pension and Relief Fund (System)**

*Plan Description.* All sheriffs and deputies who are found to be physically fit, who earn at least \$800 per month, if employed on or after January 1, 2000 and who were between the ages of eighteen and fifty at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age fifty-five with at least twelve years of credited service and receive a benefit, payable monthly for life equal to a percentage of their final average salary for each year of credited service.

A three and one third percentage factor is used for each year of service. The retirement benefit cannot exceed one hundred percent of the final average salary. Final average salary is the employee's average salary over the thirty-six consecutive or joined months that produce the highest average.

Employees who terminate with at least twelve years of service and who do not withdraw their employee contributions may retire at or after age fifty-five and receive the benefit accrued to their date of termination. Employees who terminate with twenty years of credited service are eligible to elect early benefits between ages fifty and fifty-five with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled to at age fifty-five.

For the year ending June 30, 2012, plan members were required to contribute ten percent of their salary and the Livingston Parish Sheriff was required to contribute at an actuarially determined rate of twelve percent of annual covered payroll. Contributions to the System also include one half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Livingston Parish Sheriff are established and may be amended by state statute.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Livingston Parish Sheriff's contribution to the System for the year ending June 30, 2012, was \$1,246,295 equal to the required contributions for the year.

The System issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Sheriff's Pension Relief Fund, 1225 Nicholson Drive, Baton Rouge, LA 70802, by calling (225) 219-0500, emailing [info@lsprf.com](mailto:info@lsprf.com) or by going to their website at [www.lsprf.com](http://www.lsprf.com).

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
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**11. Other Post Employment Benefits**

**Plan Description.**

The Livingston Parish Sheriff contributes to a single-employer defined benefit health care plan (The Livingston Parish Retired Employees Insurance Fund, LREIF.) The plan provides lifetime healthcare and life insurance for eligible retirees through the Sheriff's group health insurance plan. Benefit provisions are established by state law (L.R.S. 33:1448(G)). The LREIF does not issue a publically available financial report.

Effective with the year ending June 30, 2009, the Livingston Parish Sheriff implemented Government Accounting Standards Board Statement 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). The statement was implemented prospectively. The beginning other post employment benefit (OPEB) liability was set at zero and the actuarially determined OPEB liability relative to past service (prior to July 1, 2008) is being amortized and recognized as an expense over thirty years.

The Livingston Parish Sheriff pays one hundred percent of the medical coverage for the retiree only (not dependents). Retirees are eligible for benefits once they meet the retirement eligibility requirements of the Louisiana Sheriff's Pension and Relief Fund. Eligibility requirements of the Louisiana Sheriff's Pension and Relief Fund are age fifty-five with at least twelve years of service or any age with at least thirty years of service.

Life insurance coverage is continued to retirees by election and the blended rate (active and retired) is \$0.35 per \$1,000 of insurance. The employer pays one hundred percent of the "cost" of the retiree life insurance, but based on the blended rates. There is an implicit employer subsidy to the extent that higher retiree rates are diluted by the lower active employee rates. Since GASB 45 requires the use of "unblended" rates, the Sheriff uses the RP2000 mortality table to "un-blend" the rates and assign an actuarial value to the employer subsidy. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption. Zero trend was used for life insurance.

GASB 45: Accounting for Other Post Employment Benefit (OPEB) Obligations requires governmental entities to record the present value of the unfunded employer costs associated with non-retirement-based expected payments to current and former employees for post employment benefits such as health and life insurance. The Sheriff utilized a specialist to estimate the present value of the full costs of all promised health and life insurance benefits to all current and former employees included in the current benefit population utilizing such factors as the age, retirement age, expected increases in health costs, expected employer contributions, historical health claims by employee population, and other factors.

The rationale behind the implementation of GASB 45 relates to the fact that the former and current employees to the balance sheet date have provided services to the entity and have created a cost in the current period that will need to be paid in future periods based on the current employer-employee agreement. The unfunded portion of these costs will require future cash flows, which need to be considered in combination with other expected future cash outflows in order to avoid budget deficits in those fiscal periods.

**Contribution Rates.** All premium costs are paid by the Sheriff for active retirees.

**Livingston Parish Sheriff**  
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**Fund Policy.** Until 2008, the Livingston Parish Sheriff recognized the cost of providing post-employment medical and life benefits (Livingston Parish Sheriff's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

During the Fiscal Year beginning June 30, 2009, Livingston Parish Sheriff implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45) and created the Livingston Parish Retired Employees Insurance Fund (LREIF), a trust to finance future payments of retired employee's premium costs. The Sheriff is required by R.S. 1448.2.B. to deposit one percent of the money received in Livingston Parish Sheriff's general fund and any other money that the Sheriff may contribute to the trust fund each year until the total amount of money, including principal and earnings, equals the sum of six million dollars.

On July 1, 2008, the Sheriff contributed the total amount of six million dollars to the trust. The earnings of the trust fund are available for withdrawal only for the purpose of paying the insurance premium costs for retired sheriffs and retired deputy sheriffs of Livingston Parish. The trust provides that no such earnings shall be withdrawn until the amount of principal and accumulated earnings in the trust fund is equal to the sum of six million dollars. In the event that the total amount of money derived from deposits and investment earnings falls below the sum of six million dollars, no earnings shall be withdrawn.

**Annual Required Contribution.** Livingston Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of thirty years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits.

Normal Cost	\$ 624,215
30-year UAL (Unfunded Liability) amortization amount	441,548
Annual required contributions (ARC)	<u>\$ 1,065,763</u>

**Net Post-employment Benefit Obligation (Asset).** The table below shows Livingston Parish Sheriff's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2012:

<b>Beginning Net OPEB Obligation (Asset) 7/1/11</b>	<b><u>\$ (1,409,949)</u></b>
Annual required contribution (ARC)	1,065,763
Interest on Net OPEB Obligation (Asset)	(84,597)
ARC Adjustment	<u>105,172</u>
OPEB Cost	1,086,338
Contribution	(361,476)
Current year retiree premium	<u>-</u>
Change in Net OPEB Obligation	<u>724,862</u>
<b>Ending Net OPEB Obligation (Asset) 6/30/12</b>	<b><u>\$ (685,087)</u></b>

**Livingston Parish Sheriff**  
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The following table shows Livingston Parish Sheriff's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

<b>Post Employment Benefit</b>	<b>Fiscal Year Ended</b>	<b>Discount Rate</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual Cost Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
Medical and Life	6/30/2009	4%	\$ 2,308,240	275%	\$ (4,039,176)
Medical and Life	6/30/2010	6%	\$ 2,384,499	21%	\$ (2,155,906)
Medical and Life	6/30/2011	6%	\$ 1,097,224	32%	\$ (1,409,949)
Medical and Life	6/30/2012	6%	\$ 1,086,338	33%	\$ (685,087)

**Funded Status and Funding Progress.** In the fiscal year ending June 30, 2009, Livingston Parish Sheriff made a lump sum contribution of \$6,000,000 to its post-employment benefits plan by a transfer of assets within the meaning of paragraph 141 of GASB 45 as of the end of the fiscal year.

In the fiscal year ending June 30, 2011, Livingston Parish Sheriff did not make a contribution to its post-employment benefits plan. However, in July of 2011, a lump sum contribution of \$2,000,000 was transferred within the meaning of paragraph 141 of GASB 45. The plan had assets of \$6,122,535 as of June 30, 2012.

As of July 1, 2011, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$11,832,616 for medical and \$169,711 for dental, which is defined as that portion, as determined by a particular actuarial cost method (Livingston Parish Sheriff uses the Unit Credit Actuarial Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

The development of the funded ratio and UAAL as a percentage valuation of payroll as of June 30, 2012 are shown in the following table.

	<b>Medical and Life</b>
Actuarial Accrued Liability (AAL)	\$ 12,002,327
Actuarial Value of Plan Assets	<u>6,082,861</u>
Unfunded Act. Accrued Liability (UAAL)	5,919,466
Funded Ratio (Act. Val. Assets / AAL)	51%
Covered Payroll (active plan members)	\$ 10,046,223
UAAL as a percentage of covered payroll	59%

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
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**Actuarial Methods and Assumptions.** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Livingston Parish Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Livingston Parish Sheriff and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Livingston Parish Sheriff and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method.** The ARC is determined using the Unit Credit Actuarial Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

**Actuarial Value of Plan Assets** The actuarial value of assets is at market value.

**Withdrawal Rates.** Withdrawal rates based upon years of service and gender have been used to calculate the percentages applied to the employee census. The rates are shown below:

<u>Service</u>	<u>Males</u>	<u>Females</u>	<u>Service</u>	<u>Males</u>	<u>Females</u>
0 to 1	26%	26%	6 to 7	7%	7%
1	17%	17%	8	6%	6%
2	13%	13%	9 to 12	4%	4%
3	12%	12%	13 to 18	2.5%	2.5%
4	10%	10%	19 plus	1.5%	1.5%
5	8%	8%			

**Retirement Rate.** An age-related retirement scale based on actual experience as described by administrative staff has been used. The rates for each age are below:

<u>Age</u>	<u>Turnover Rates</u>	
	<u>Males</u>	<u>Females</u>
46 to 29	16%	16%
50 to 54	7%	7%
55 to 64	16%	16%
65	26%	26%
66 plus	100%	100%

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
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**Investment Return Assumption (Discount Rate).** GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the returns currently obtained in the investments held in the trust, a six percent annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

**Health Care Cost Trend Rate.** The trend assumption for medical and pharmacy costs and retiree premiums are summarized below:

<u>Year</u>	<u>Trend</u>	<u>Year</u>	<u>Trend</u>
2011 to 2014	5.9%	2057 to 2067	4.7%
2015 to 2018	5.8%	2068 to 2071	4.6%
2019 to 2023	5.7%	2072	4.5%
2024 to 2028	5.6%	2073	4.4%
2029 to 2030	5.5%	2074 to 2076	4.3%
2031 to 2032	5.3%	2077 to 2098	4.2%
2033 to 2034	5.2%	2099 plus	4.0%
2035 to 2037	5.1%		
2038 to 2042	5.0%		
2043 to 2048	4.9%		
2049 to 2056	4.8%		

Zero trend has been assumed for valuing life insurance.

**Mortality Rate.** The Group Annuity Reserving (RP2000) table, projected to 2010 using Scale AA, based on a fixed blend of fifty percent of the unloaded male mortality rate and fifty percent of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the RP2000 mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

**Livingston Parish Sheriff**  
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**Method of Determining Value of Benefits.** The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays one hundred percent of the cost of the medical costs for the retirees. The rates provided applicable before Medicare eligibility are "blended" rates. Since GASB 45 mandates that "unblended" rates be used, we have estimated the "unblended" rates for retired before Medicare eligibility using the following table:

<b>Age</b>	<b>Retiree</b>		<b>Spouse</b>	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
35	\$ 3,531	\$ 6,399	\$ 3,531	\$ 7,034
40	4,308	6,462	4,308	6,816
45	5,469	7,107	5,469	7,269
50	6,968	8,144	6,968	8,204
55	8,516	8,949	8,516	8,971
60	10,616	10,203	10,616	10,211
65	3,495	3,330	3,495	3,330
70	4,268	3,985	4,268	3,985
75	5,173	4,735	5,173	4,735
80	6,044	5,479	6,044	5,479
85	6,891	6,262	6,891	6,262

**Other Assumptions**

**Coverage** One hundred percent of employees who elect coverage while in active employment and who are eligible for retiree medical benefits are assumed to elect continued medical coverage in retirement.

**Spousal Coverage** Eighty-five percent of members are assumed to be married with thirty-five percent of those married participants electing spouse coverage upon retirement.

**Spouse Age Difference** Females are assumed to be three years younger than males, for active employees.

**12. Deferred Compensation Plan**

All of the employees of the Livingston Parish Sheriff are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to twenty-five percent of their salary (not to exceed \$16,500 a year) to the plan on a pre-tax basis. The contributions are withheld from the employees' paycheck and the Sheriff matches employees' contributions according to plan specifications. The contributions are fully vested immediately and are remitted to a third-party administrator each payday, where they are deposited in an account in the employee's name. The Livingston Parish Sheriff does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2012, the Sheriff contributed \$444,871 to the plan.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
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**13. Compensated Absences and Long Term Debt.**

At June 30, 2012, employees of the Sheriff have accumulated and vested \$346,770 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. There were no other long term liabilities.

**14. Tax Collector Account**

Cash on Hand at Fiscal Year End

The balance at Tax Collector at June 30, 2012, consisted of the following:

Tax Collector Operating Account	\$ 23,266
Tax Collector Protested Taxes Account	2,084,035
Cash Balance at Fiscal Year End	<u>\$ 2,107,301</u>

The total of \$23,266 for the Tax Collector Operating Account consisted of accumulated interest income only, which was disbursed to taxing districts in July 2011. The total of \$2,084,035 within the Tax Collector Protested Taxes account at June 30, 2012, consisted of tax payments and accumulated interest income, for tax payments placed in escrow pending legal settlement. Amounts in escrow at June 30, 2012, consisted of the following:

Taxpayer	Accumulated Interest Income	Total Tax Payments Escrowed	Total Taxes and Interest
Transcontinental Gas	\$ 40,089	\$ 231,208	\$ 271,298
LA Generating, LLC	2,879	17,174	20,053
Gulf South Pipeline	8,352	49,821	58,173
Southern Natural Gas	75,999	958,653	1,034,652
Central Progressive Bank	3,984	32,453	36,437
Council on Aging	749	543,565	544,314
Comite River Diversion District	26	24,872	24,898
Library Maintenance	98	94,112	94,210
Total Taxes and Interest	<u>\$ 132,176</u>	<u>\$ 1,951,858</u>	<u>\$ 2,084,035</u>

Subsequent to fiscal year end, settlements have been reached for each of the first five taxpayers listed above (Transcontinental Gas, LA Generating, LLC., Gulf South Pipeline, Southern Natural Gas, and Central Progressive Bank), and settlement amounts are being processed by the Tax Collector. A court determination was also rendered on the Livingston Council on Aging, with payment also being processed by the Tax Collector. Amounts for the Comite River Diversion District and for the Library Maintenance tax remains in escrow pending court decision.



**Livingston Parish Sheriff**  
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Louisiana Revised Statutes (R.S. 24:513B), as amended by Act 711 of the Louisiana Legislative Session, require that the audit report for parish sheriffs include footnote disclosures for the amount of taxes collected and disbursed per taxing entity. For the Livingston Parish Sheriff, this requires disclosure of current and prior year ad valorem tax collections and distributions, and disclosure of occupational license fees collected and disbursed. For ad valorem taxes, amounts collected vary to disbursements by tax refunds, fees, commissions, Louisiana Tax Commission (LTC) change orders, and other corrections. The amount of collections and disbursements are presented in the following sections.

The amount of Current Year taxes collected and disbursed is as follows for the fiscal year Ending June 30, 2012:

<b>Taxing District</b>	<b>Current Taxes Collected</b>	<b>Current Taxes Disbursed</b>
Livingston Parish Assessor	\$ 3,195,304	\$ 3,170,125
Livingston Gravity Drainage District No. 1	678,261	651,943
Livingston Fire Protection District No. 1	166,356	158,439
Livingston Fire Protection District No. 2	248,342	236,952
Livingston Fire Protection District No. 4	1,775,445	1,700,858
Livingston Fire Protection District No. 5	849,099	815,505
Livingston Fire Protection District No. 7	51,842	49,429
Livingston Fire Protection District No. 8	141,639	135,549
Livingston Fire Protection District No. 9	169,926	162,754
Livingston Fire Protection District No. 10	123,095	117,797
Livingston Fire Protection District No. 11	17,460	16,089
Livingston Fire Protection District No. 4 (User Fees)	635,422	558,916
Livingston Fire Protection District No. 7 (User Fees)	31,748	27,878
Livingston Fire Protection District No. 9 (User Fees)	69,009	60,619
Livingston Fire Protection District No. 11 (User Fees)	13,950	12,145
Livingston Parish Library	4,511,417	4,277,740
Livingston Parish Council	4,428,932	4,236,822
Livingston Recreation District No. 2	731,336	700,145
Livingston Recreation District No. 3	2,306,069	2,216,587
Livingston Recreation District No. 5	289,667	276,775
Livingston Parish School Board	14,820,192	14,206,325
Livingston Parish Sheriff	8,883,489	8,771,008
Florida Parish Juvenile District	1,127,932	1,080,942
City of Denham Springs	210,978	211,244
Comite River District	108,593	90,775
Carter Plantation Community Development District	73,950	67,735
Livingston Parish Council on Aging	820,275	692,003
Louisiana Tax Commission	4,365	4,365
Louisiana Forestry	21,591	18,383
Commissions and Fees - Livingston Parish Sheriff	-	469,923
Fees - 21st Judicial District	-	1,194
<b>Total Current Taxes</b>	<b>\$ 46,505,684</b>	<b>\$ 45,196,964</b>

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
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The amount of Prior Year advalorem taxes collected and disbursed is as follows for the fiscal year Ending June 30, 2012:

<b>Taxing District</b>	<b>Prior Year Taxes Collected</b>	<b>Prior Year Taxes Disbursed</b>
Livingston Parish Assessor	\$ 31,601	\$ 31,373
Livingston Gravity Drainage District No. 1	7,007	7,923
Livingston Fire Protection District No. 1	2,779	3,285
Livingston Fire Protection District No. 2	5,263	6,145
Livingston Fire Protection District No. 4	10,465	9,499
Livingston Fire Protection District No. 5	9,822	10,808
Livingston Fire Protection District No. 7	2,529	2,888
Livingston Fire Protection District No. 8	233	262
Livingston Fire Protection District No. 9	687	624
Livingston Fire Protection District No. 10	540	446
Livingston Fire Protection District No. 11	78	97
Livingston Fire Protection District No. 4 (User Fees)	5,270	5,206
Livingston Fire Protection District No. 7 (User Fees)	640	659
Livingston Fire Protection District No. 9 (User Fees)	640	641
Livingston Fire Protection District No. 11 (User Fees)	288	304
Livingston Parish Library	41,876	40,716
Livingston Parish Council	43,471	43,234
Livingston Recreation District No. 1	71	250
Livingston Recreation District No. 2	2,741	2,486
Livingston Recreation District No. 3	29,524	33,918
Livingston Recreation District No. 5	5,810	6,552
Livingston Recreation District No. 6	66	233
Livingston Parish School Board	154,498	160,873
Livingston Parish Sheriff	194,310	215,054
Florida Parish Juvenile District	12,137	11,917
City of Denham Springs	3,060	3,679
Comite River District	1,091	653
Carter Plantation Community Development District	1,750	1,756
Livingston Parish Council on Aging	7,379	6,425
Louisiana Tax Commission	-	7
Louisiana Forestry	42	316
Livingston Parish Clerk of Court	18,576	18,576
Subtotal	\$ 594,244	\$ 626,805
Plus Interest Collected on Taxes	111,135	-
Total	<u>705,379</u>	<u>\$ 626,805</u>

Occupational License fees collected and disbursed is as follows for the fiscal year Ending June 30, 2012:

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

Gross Collections	\$ 888,363
Less Refunds	<u>(2,180)</u>
Net Collections	886,183
Less Distribution to Livingston Parish Council (at 85%)	(753,256)
Less Commission to Livingston Parish Sheriff (at 15%)	<u>(132,927)</u>
Balance Not Distributed	<u>\$ -</u>

There were no uncollected taxes at June 30, 2012, and all tax collections were disbursed to taxing districts at June 30, 2012, or held in escrow at fiscal year-end pending legal determination for distributions.

**15. Risk Management**

The Sheriff is exposed to various risks of loss related to law enforcement liabilities: torts, theft, damage or destruction of assets, errors and omissions, and injuries to employees. To handle such risks of loss, the Sheriff maintains commercial insurance policies covering automobile liability, general liability, commercial crime, law enforcement, public official's liability, worker's compensation and employer's liability. There have been no significant reductions in insurance coverage for the current year or in the three prior years. The Sheriff has committed \$94,991 of the June 30, 2012 fund balance in the General Fund to allow for the payment of claims.

**16. Contingent Liabilities**

At June 30, 2012, the Livingston Parish Sheriff is involved in several lawsuits and claims, which are either adequately covered by liability insurance or in the opinion of legal counsel, will not result in any liability to the Sheriff.

During the fiscal year ending June 30, 2012, the 21<sup>st</sup> Judicial District Court ruled in favor of the Livingston Council on Aging involving commissions retained by the Sheriff on ad valorem property tax collections. The case has implications for the Sheriff and two other taxing districts: the Amite River Basin Comite Canal tax and the Livingston Parish Library tax. Total reimbursement due to these entities at June 30, 2012, and the escrow of protested taxes for all taxpayers amounted to \$2,107,301, which has been accumulated in the financial statements inside the Tax Collector Fund. The Livingston Parish Sheriff is in the process of settling claims by the Livingston Parish Council on Aging, and in negotiating final settlements with the remaining two entities.

**17. Expenditures of the Sheriff's Office Paid by the Parish Council**

The Sheriff's administration offices are located in the parish courthouse building. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Livingston Parish Council. These costs are not included in the accompanying financial statements.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**18. On-Behalf Payments for Fringe Benefits and Salaries**

A portion of the salaries of the Sheriff's deputies are paid through a supplement from the State of Louisiana. These payments provide the deputies of the Sheriff with an additional \$500 per month, which is added to their base salary. For the fiscal year ended June 30, 2012, in accordance with GASB 24, the Sheriff recorded \$454,605, of on behalf payments as revenue and as an expenditure in the General Fund.

**19. Prior Period Adjustments**

Beginning Government Wide Net Assets for the fiscal year beginning July 1, 2011 were increased by \$60,000 from \$9,953,656 to \$10,013,656 to adjust for a receivable related to detainee monitoring through the Livingston Parish Council from prior to the fiscal year, based on new information provided to the Sheriff.

**20. Subsequent Events**

These financial statements considered subsequent events through December 27, 2012, the date the financial statements were available to be issued. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2012, other than disclosure of protested taxes claims and liabilities disclosed in *Footnote 16 - Contingent Liabilities*.

## Required Supplemental Information (Part II)

**Livingston Parish Sheriff**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**General Fund**  
**For the year ended June 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Favorable</b>
<b>Revenues</b>				
Taxes				
Ad valorem	\$ 10,545,000	\$ 8,895,000	\$ 9,061,983	\$ 166,983
Sales and Use	6,050,000	6,600,000	6,632,029	32,029
Intergovernmental				
Grants	710,000	225,000	281,574	56,574
Support of Prisoners	1,531,000	2,547,000	2,535,137	(11,863)
State Revenue Sharing	670,000	650,000	656,052	6,052
Fines, Forfeitures and Other Fees	2,047,000	2,711,000	2,912,110	201,110
Use of Money and Property	50,000	34,000	44,502	10,502
Miscellaneous	327,000	270,000	454,834	184,834
On Behalf Payments - State Supplemental Pay	345,000	445,000	454,605	9,605
<b>Total Revenues</b>	<u>22,275,000</u>	<u>22,377,000</u>	<u>23,032,826</u>	<u>655,826</u>
<b>Expenditures</b>				
Public Safety				
Personal Services and Related Benefits				
Salaries	9,623,022	9,809,000	10,046,223	(237,223)
Employee Benefits	5,058,400	5,751,000	5,682,580	68,420
Operating Services	1,775,850	2,161,250	1,377,707	783,543
Professional Services	974,000	1,461,000	1,288,339	172,661
Materials and Supplies				-
General	870,000	879,500	896,350	(16,850)
Prisoners	1,298,000	1,400,000	1,375,451	24,549
Vehicles	875,000	100,000	770,346	(670,346)
Total Public Safety	<u>20,474,272</u>	<u>21,561,750</u>	<u>21,436,996</u>	<u>124,754</u>
Capital Outlays	<u>1,100,000</u>	<u>835,250</u>	<u>759,798</u>	<u>75,452</u>
<b>Total Expenditures</b>	<u>21,574,272</u>	<u>22,397,000</u>	<u>22,196,794</u>	<u>200,206</u>
<b>Excess Revenues (Expenditures)</b>	<u>700,728</u>	<u>(20,000)</u>	<u>836,032</u>	<u>856,032</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	-	20,000	20,025	25
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>20,000</u>	<u>20,025</u>	<u>25</u>
<b>Net Change in Fund Balances</b>	\$ <u>700,728</u>	\$ <u>-</u>	<u>856,057</u>	\$ <u>856,057</u>
<b>Fund Balances, Beginning</b>			4,717,071	
Prior Period Adjustment (Note 19)			60,000	
<b>Fund Balances, Beginning Adjusted</b>			<u>4,777,071</u>	
<b>Fund Balances, Ending</b>			\$ <u>5,633,128</u>	

See accompanying notes and accountant's report.

## **Notes to Budget Comparison Schedules**

Budgetary procedures applicable to the Livingston Parish Sheriff are defined in state law, Louisiana Revised Statutes 39:1301-1315. The Sheriff uses the following budget practices:

Proposed budgets are prepared on the modified accrual basis of accounting and published in the official journal at least ten days prior to the public hearing. Public hearings are held at the Livingston Parish Sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the Sheriff and amended during the year, as necessary. Budgets are established and controlled by the Sheriff at the object level of expenditures. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended.

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and one budget amendment. The Sheriff must adopt a budget each year for the general fund and each special revenue fund, if applicable. The Sheriff must prepare and submit the proposed budget for consideration not later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in the parish.

All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. Budgetary amendments involving the transfers of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Sheriff. The Sheriff adopts necessary budget amendments when actual operations are different from those anticipated in the original budget, and they are made available for public inspection.

## Other Supplemental Information (Part III)



STATE OF LOUISIANA, PARISH OF LIVINGSTON,

## AFFIDAVIT

of

Jason Ard, Sheriff of Livingston Parish, State of Louisiana

BEFORE ME, the undersigned authority, personally came and appeared,  
Jason Ard, Sheriff of Livingston Parish, State of Louisiana, who after being duly sworn,  
deposed and said:

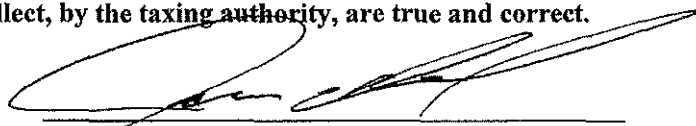
The following information is true and correct:

\$ 23, 265.67 is the amount of cash on hand in the tax collector account on  
June 30, 2012;

He further deposed and said:

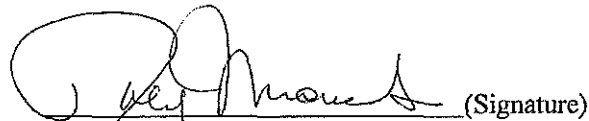
All itemized statements of the amount of taxes collected for the tax year 2011,  
by the taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate  
the reasons for the failure to collect, by the taxing authority, are true and correct.



Signature  
Sheriff of Livingston Parish, State of Louisiana

SWORN to and subscribed before me, Notary, this 17 day of December 2012, in  
my office in Livingston, Louisiana.

 (Signature)

RONALD J. MORSE JR. (Print), # 042632

PERPETUAL (Commission)

**Livingston Parish Sheriff**

**Schedule 3**

**Summary Schedule of Audit Results  
For the Year Ended June 30, 2012**

- . The auditor's report expresses an unqualified opinion on the basic financial statements of the Livingston Parish Sheriff.

One instance of noncompliance material to the basic financial statements of the Livingston Parish Sheriff, reported as Finding No. 2012-C1 in the *Corrective Action Plan for Current Year Audit Findings*, was reported in accordance with *Governmental Auditing Standards*..

- . Internal control findings were not reported for the fiscal year ending June 30, 2012.

The compliance finding, material to the financial statements, is listed below:

<b>Finding Number</b>	<b>Location of Finding</b>	<b>Status of Finding</b>
2012-C1	<i>Corrective Action Plan for Current Year Audit Findings</i>	Not Resolved

**Livingston Parish Sheriff  
Livingston, Louisiana**

**Schedule 4**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2012**

**Compliance Findings (Reported in Accordance with Government Auditing Standards)**

There were no compliance findings.

**Internal Control and Compliance Material to Federal Awards**

There were no findings related to federal awards.

**Management Letter**

No management findings.

**Corrective Action Plan for Current Year Findings  
For the Year Ended June 30, 2012**

**Compliance Findings (Reported in Accordance with Government Auditing Standards)**

**Reference Number 2012-C1 (Bid Compliance).**

**Criteria:**

Louisiana Revised Statutes 38:2212.1 requires that purchases totaling \$30,000 or more, if not purchased under State Contract, must be formally advertised for bid. Advertisements for bid shall be published two times in a newspaper in the locality; the first advertisement must appear at least 15 days before bid opening date.

**Condition:**

We noted the purchase of three vehicles, priced at \$31,344, \$51,781, and at \$51,681, that were not formally advertised in accordance with provisions of the bid law.

**Effect:**

The Livingston Parish Sheriff must comply with statutory requirements for the purchase of vehicles.

**Cause:**

Generally vehicles are purchased under State Contract, and if not under State Contract, by public bid. Controls need to be established to further centralize approval of the purchases, and to formally sign off and approve the purchase, after consideration of bid compliance requirements.

**Response by Management**

Due to the transition of a new Sheriff and the new hiring and changes in Administration that take place during a transition, LPSO found itself in need of additional units. The need for the additional units was unforeseeable due to the nature of transition and was also immediate. The Chief Civil Deputy contacted the state contract dealer for Chevy Tahoe police units. He was told that none were available or would become available due to a lack in production at that time of year. After calling around locally and pricing and comparing available inventory, he purchased the only units he could find that had suitable options and packages. In the future, LPSO will use a formal bid process to procure police units.

**Description of Action Taken: Partially Resolved.** Response will be monitored in current fiscal year.

**Anticipated Completion Date:** The Livingston Parish Sheriff notified departments that purchase of vehicles, and other purchases subject to the bid law, cannot be made without proper authorization. This action was taken in December 2012.

**Corrective Action Plan for Current Year Findings  
For the Year Ended June 30, 2012**

**Contact Person:**

Ronald Morse, Chief Criminal Deputy  
Livingston Parish Sheriff  
20180 Iowa Street, P.O. Box 850  
Livingston, Louisiana 70754-0850  
(225) 686-2241.

**Internal Control Findings (Reported in Accordance with Government Auditing Standards)**

No internal control findings.

**Internal Control and Compliance Material to Federal Awards**

There were no findings related to federal awards.

**Management Letter**

No management findings.

Bruce C. Harrell, CPA

Dale H. Jones, CPA  
Eric J. Rodrigue, CPA  
Kristi U. Bergeron, CPA  
Michael P. Estay, CPA  
Jessica H. Jones, CPA

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To Livingston Parish Sheriff  
Livingston, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Livingston Parish Sheriff, as of and for the year ended June 30, 2012, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Livingston Parish Sheriff's, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the *Correction Action Plan for Current Year Audit Findings* as Finding 2012-C1.

To Livingston Parish Sheriff  
Livingston, Louisiana  
Page 2

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Livingston Parish Sheriff's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Sheriff's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of management, federal awarding and pass-through entities and the Louisiana Legislative Auditor and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

December 27, 2012